

**Remarks of California State Treasurer Phil Angelides  
Renewable Energy Leadership Summit  
United Nations World Environment Day  
San Francisco, June 4, 2005**

I am honored to be here with all of you today. Being here together in this beautiful city by the Bay and in this state of remarkable scenic beauty reminds us how much we have at stake in the fight to preserve our environment.

I am pleased to be able to talk to you today about how we can put California in the front ranks of the fight against global warming and make our state the center for the globe's renewable energy future.

Heading off massive climate change and weaning ourselves from the oil economy are the challenges of our generation.

For to live in an oil-dependent society is to live in fear.

The fear of terrorism funded with the very dollars we spend at the gas pump.

The fear of war to defend or defeat oil-fueled regimes in the Mideast.

The fear of what happens to our families and our jobs when, inevitably, oil prices soar out of sight.

The fear of what is happening to our planet and the legacy we are leaving to our children and grandchildren.

If we are to stop living in fear, California must make a decision. Will we take the low road or the high road?

The low road runs away from responsibility, borrowing against our children and our planet. It shorts investments in education, in communities and in our people. It skirts hard action today at the expense of our children's future.

I say California must take the high road.

We must choose hope, not fear...

Sustainable economic progress, not environmental degradation...

Long-term prosperity, not quick profiteering...

And once we choose the high road, we must act aggressively from Day One, because time is not on our side.

As State Treasurer, I have spent six years blazing the trail on the high road.

For the first time, we harnessed the power of capital and investors around the world and put them to work to save the planet. With my Green Wave initiative, we put the might of the state's two pension funds, \$300 billion strong, behind investment and innovation for an environmentally sustainable economy. We set a new standard for corporate environmental responsibility.

We directed \$450 million to investments in renewable energy and clean environmental technologies – to fight pollution and climate change while creating tens of thousands of new jobs and earning returns for our pension funds.

We set a goal of reducing the energy usage in our pension funds' massive real estate holdings by 20 percent over the next five years, saving enough energy to power 50,000 homes.

We committed \$500 million to environmentally responsible stock funds that can earn superior returns.

And we launched a new era of shareholder activism to prod companies to confront the risks of global warming – protecting their bottom lines and the environment, too.

The Green Wave is now picking up speed and force. At the UN last month, some of the biggest institutional investors from around the world committed to investing \$1 billion in clean technologies in the next year and vowed to use their shareholder clout to combat global warming. Major companies like General Electric have heard us and are putting their own dollars to work on environmental technology and clean energy.

The high-road commitment embodied in the Green Wave is a way of thinking that guides everything we do at the Treasurer's Office. Instead of thinking about the next quarter, we have tried to think about the next quarter of a century and beyond.

That's why I have led the fight for smart growth.

We have redirected over \$14 billion in state investments to curb sprawl and to support sustainable development and livable communities.

We have channeled affordable housing funds to projects that meet a set of smart growth goals — projects within walking distance of transit, schools, parks and shopping; projects that exceed the State's energy efficiency standards by 15 percent; and projects that use sustainable building materials.

We pushed through policy changes that require State office space to be located near public transportation, affordable housing, and retail services. Government needs to lead, not be a collaborator in sprawl.

I sponsored the law to stop the State from buying wasteful SUVs and to require the administration to green the state's fleet of vehicles, all 70,000 of them, to be the most fuel-efficient in the world.

And I've led this state to invest in our neglected inner-city communities – because I believe we will never curb our appetite for oil if we throw away neighborhoods on a thirty-year cycle in a rush to the suburban fringe.

But this is just a beginning. We can no longer dance at the edge of the environmental precipice as if global warming is an issue that can be dealt with at the margin, and treated with photo-op policies. We must put the same thinking I have applied at the Treasurer's Office -- and that many of you apply in your work -- into everything we do as a state, and on a grand scale.

Yes, it is important to have goals. But saving the planet is not like an NBA game, where the play doesn't get serious until the last quarter. In the game to head off global warming, there will be no victory unless we play hard from the opening tip-off and for the whole 48 minutes.

Unless we set aggressive goals from the beginning – for the early years — we risk falling so far behind we will never get in the game.

In California, here are three big things we can do now to turn away from global warming.

First, we need to free Californians from the yoke of an expensive and polluting dependence on petroleum-burning vehicles.

We are a state of 26 million cars, SUVs and trucks that travel 314 billion miles a year and burn 15 billion gallons of gasoline. We are on a path, over the next twenty years, to becoming a state of 36 million cars that travel 446 billion miles and burn nearly 18 billion gallons.

We must choose not to take that path. We must choose to grow smarter, to give Californians more transportation options, the choice to drive fewer miles and burn — and pay for — fewer gallons of fossil fuels.

We know how to do that. We know how to build livable, walkable, transit friendly, environmentally sustainable communities. In the first half of the twentieth century, that's how we lived and built our neighborhoods.

Over a decade ago, I put my own capital at risk to build a place called Laguna West near Sacramento, that remains a model of a smart growth community -- good for families, good for business, and good for the environment.

In a state growing from 37 million to 46 million people over the next twenty years, we

need to dramatically change the way we build our cities to save energy and reduce greenhouse gas emissions.

When the Sacramento region compared a smart growth scenario for the next three decades against the status quo, it found it could reduce future gasoline consumption by 75 million gallons a year.

But make no mistake about it: Putting California on the high road to smart growth will take strong and courageous leadership in Sacramento. It will take genuine commitment to regional planning. And it will take real investment in our communities and in transit.

The second big thing we must do is to stop waiting for Washington to act. As the world's sixth-largest economy, California has the heft and resources to make a difference for the planet. We must demand the autonomy to act if Washington won't.

For three decades, by enacting its own tough air emission standards, California has forced innovation, pushed the market, and led the nation and world in the fight for clean air. By setting the first greenhouse gas emission standards for vehicles, California has once again taken the lead.

We can do more. And as long as President Bush is in office, we will need to.

We must have more fuel-efficient vehicles. If President Bush and Congress won't raise fuel efficiency standards, California should demand the right to act on its own. Release California from the federal preemption on vehicle mileage standards and watch us go.

And if Congress won't pass the Lieberman-McCain Climate Stewardship Act, California should move ahead on its own.

Third and finally, we must choose to be the world center for developing and using clean fuels and renewable energy.

California shook the world last fall — and, we hope, altered the course of history — when we voted to make our state the global center of stem cell research. We can shake the world again by making the same kind of investment in renewable energy and clean fuels.

When President Kennedy chose to go to the moon, he backed that decision with a \$3.5 billion a year investment in a \$600 billion economy. Today, California's economic output is more than \$1.5 trillion. We clearly have the resources and wealth to invest in technologies that clean up the environment and combat global warming. What we need now is the will — and leadership.

No other state is better positioned to be the world center for the renewable energy and clean technology industries. Developing renewable energy and energy-efficiency technologies draws on the same skills and knowledge base that have put us at the

forefront of the high-tech world.

And to encourage private investment in the renewable energy breakthroughs we achieve and to spur the commercialization of the technologies we develop, we must provide a market for their use. And this means that our commitment to a renewable energy portfolio standard must be more than a goal — it must be the law of the land.

California should own this industry — so that we can have a clean environment and the high-wage, high-skill jobs to power our economy.

Here in California, climate scientists have warned us of the legacy we are leaving to our children and our grandchildren. At the current pace of global warming, much of the Sierra snow pack will disappear by the end of the century, leading to more frequent winter floods and longer and more damaging droughts in summer. Los Angeles will be hotter than Sacramento today; Sacramento will be hotter than El Centro; and El Centro will be hotter than... well, no place any of us want to go.

It's time for California to take the high road.

I am confident where that high road leads. It carries us past the shortsightedness that threatens our future.

It takes us to a California that shows the world how to live in harmony with its natural gifts.

And the high road delivers us to a California as bold and bountiful as our potential. A California that once again amazes and inspires the world.

That is the future our children, our environment, and our planet deserve.

Thank you for having me here today.